

BOUNTIFUL REDEVELOPMENT AGENCY

Meeting Minutes of: Tuesday, February 12, 2013

Location: City Council Chambers, Bountiful City Hall, 790 South 100 East, Bountiful, Utah

Present: Chairman – Joe Johnson; Board Members – Beth Holbrook, Richard Higginson, John Marc Knight, Fred Moss, Tom Tolman; Redevelopment Director – Aric Jensen; Administrator Services Director – Galen Rasmussen; City Manager – Gary Hill; City Attorney – Russell Mahan; City Engineer – Paul Rowland

Welcome

1. Chairman Joe Johnson opened the meeting at 6:45 p.m. and welcomed those in attendance.

Agenda Items

2. **Consider approval of minutes for November 27, 2012.**

Board Member Fred Moss made a motion to approve the minutes for November 27, 2012 as written. Board Member Richard Higginson seconded the motion. Chairman Johnson and Board Members Higginson, Holbrook, Knight, Moss and Tolman voted “aye”. Voting was 6-0 in favor.

3. **Consider a loan request from Village on Main LLC, 1525 N. Main Street, Suite 105, Larry and David Kocherhans, applicants.**

Redevelopment Agency Director Aric Jensen presented the loan request from Village on Main LLC.

Mr. Larry Kocherhans, representing Village on Main, LLC, requests a loan from the Redevelopment Agency to make physical improvements to the commercial portion of the existing mixed-use building at 1525 N. Main St. Attached is a copy of their application.

In brief, the applicant has a contract with a new tenant to occupy approximately 5,800 sq ft of contiguous space. There is sufficient space available, but it is not contiguous, and so an existing tenant will need to be relocated to accommodate the new tenant.

The applicant is requesting \$261,583, which is exactly 50% of the projected \$523,166 construction cost. As collateral, the applicant is proposing a second position on the three vacant commercial pad sites that it owns. The pad sites were appraised in May, 2012, with a cumulative value of \$1,300,000. The current value of the first position loan is \$705,803, leaving approximately \$595,000 in equity. Based on these figures, a loan of \$261,583 would have a total loan to value ratio of about 75%, which is generally acceptable.

Village on Main, LLC, is comprised of many of the same principals as Skills Fitness and IDG/Horizon Management, both of which have existing loans with the Agency. The IDG/Horizon Management loan has a call date later this year and is current, and the Skills Fitness has a 2015 call date and is also current.

Approve a loan to Village on Main, LLC, with the following terms:

Loan Value	\$260,000
Amortization Period	10 years
Balloon Payment (Call)	At the end of 5 years
Interest Rate	3%
Payment Schedule	Monthly
Other	This offer expires May 31, 2013, is not assignable, and may not be extended
Collateral	Trust deed secured by second position on all (3) vacant pad sites; first position encumbrance not to exceed \$705,803

After a brief discussion, Board Member Beth Holbrook made a motion to approve a loan request from Village on main LLC, 1525 N. Main Street, Suite 105 with the following terms and amortization schedule as set forth by staff. Board Member Richard Higginson seconded the motion. Chairman Johnson and Board Members Higginson, Holbrook, Knight, Moss, and Tolman voted “aye”. Voting was 6-0 in favor.

RDA Director’s report and misc. business

El Matador’s loan of \$95,921.75 was paid off in full February 5, 2013.

Adjourn

Chairman Johnson ascertained that there were no other items to discuss. Board Member Beth Holbrook made a motion to adjourn the meeting. Board Member John Marc Knight seconded the motion. Chairman Johnson and Board Members Holbrook, Higginson, Knight, Moss, and Tolman voted “aye”. Voting was 6-0 in favor. The meeting was adjourned at 7:00 p.m.